

# THE MANAGEMENT OF SECURITY COOPERATION

Defense Institute of Security Assistance Management  
2475 K Street, Building 52  
Wright-Patterson Air Force Base, Ohio

The Thirty-Second Edition  
January 2013



International Standard Serial No. 2156-7441  
Electronic version available on the DISAM web site: <http://www.disam.dsca.mil>



**DEFENSE INSTITUTE OF SECURITY ASSISTANCE MANAGEMENT**

**WRIGHT-PATTERSON AFB, OHIO**

Commandant  
Dr. Ronald H. Reynolds

Editor  
Mr. Jeffrey S. Grafton

Editorial Assistant  
Ms. Emily M. Broadwater

Graphics  
Mr. Danny L. Palmer

Contributing Authors

Mr. William C. Aseltine	CDR Edward J. McFarland, USN
LTC Christopher E. Brown, USA	Ms. Susan L. McClure
Mr. Jeffrey S. Grafton	Mr. John B. O'Connor
Dr. Joanne B. Hawkins	Mr. Aaron M. Prince
Mr. Patrick K. Hawkins	Mr. Douglas N. Simmons
Mr. Christopher M. Krolikowski	Mr. John M. Smilek
Mr. Kenneth W. Martin	Dr. Robert J. Weber



## PREFACE

Welcome to the 32nd edition of *The Management of Security Cooperation* produced by the Defense Institute of Security Assistance Management (DISAM). DISAM serves as a Defense Security Cooperation Agency (DSCA) institution to provide consolidated professional training and education for the security cooperation workforce. Since its initial publication in the spring of 1980, this textbook has been commonly referred to as the Greenbook by virtue of its traditional green cover.

This Greenbook edition, at the time of publication, incorporates the most current information available regarding security assistance and security cooperation programs. It explains the wide range of DOD activities and relationships involved in developing and managing various types of security cooperation programs, including “Building Partner Capacity” programs, in addition to the traditional Department of State (DOS) security assistance programs.

Readers should be aware that the Greenbook is an academic document. It is intended to function as a resource to aid in the instruction and understanding of the multi-faceted and highly interactive world of security cooperation. It does not set policy, precedent or procedures. The views, opinions, and conclusions expressed or implied herein are those of the authors or editors and are not to be construed as representing official policies of the US government or any of its departments and agencies.

The official source for DOD-wide security assistance and security cooperation policy, over which DSCA has responsibility, is the *Security Assistance Management Manual* (SAMM) issued as DSCA Manual 5105.38-M. The SAMM should be consulted for the latest policy updates and should be used as an official reference source in lieu of citing content from this textbook. The SAMM is only available online in electronic format. As such, the current SAMM is often referred to as the E-SAMM and can be accessed at: <http://www.dsca.mil/samm>.

This edition of the Greenbook was produced through an institutional team effort. DISAM’s group of functional coordinators primarily produced the respective chapter content. In addition, other faculty members, as well as external contributors, assisted in updating the textbook content. Many other faculty and staff members also participated by serving as reviewers, proofreaders, illustrators, or otherwise supporting the publication process.

Although *The Management of Security Cooperation* was produced specifically for use in DISAM’s educational programs, it is in the public domain. Appropriately cited quotes and other credited uses of this material are encouraged. For the most recent updates to the Greenbook, readers are encouraged to view the online edition provided in the publications section of the DISAM web site: <http://www.disam.dsca.mil>.

Finally, the editorial staff is responsible for any errors of form or substance found within. We ask that any such errors detected by the reader be reported to DISAM/DR, Building 52, 2475 K Street, Wright-Patterson AFB, Ohio 45433-7641.

January, 2013

EDITORIAL STAFF



## TABLE OF CONTENTS

### CHAPTER 1 INTRODUCTION TO SECURITY COOPERATION

Introduction .....	1-1
Security Assistance .....	1-2
Security Cooperation .....	1-7
Security Force Assistance .....	1-27
Summary .....	1-28
References .....	1-29

### CHAPTER 2 SECURITY COOPERATION LEGISLATION AND POLICY

Introduction .....	2-1
Legislated Management of Security Assistance Funding .....	2-6
Basic Policies .....	2-8
Military Sales .....	2-15
Drawdown Authorities .....	2-17
Special Presidential Waiver Authority .....	2-18
Congressional Review of Proposed Transfers .....	2-18
Additional Provisions Relating to NATO, NATO Members, .....	2-23
Japan, Australia, New Zealand, Republic of Korea, Israel, and Other Eligible Countries .....	2-23
Special Defense Acquisition Fund .....	2-25
Excess Defense Articles .....	2-26
Country-Specific Legislation .....	2-29
Weapons-Specific Legislation.....	2-30
Summary .....	2-31
References .....	2-32
Attachment 2-1 US Conventional Arms Transfer Policy: Presidential Decision Directive 34.....	2-33
Attachment 2-2 US Conventional Arms Transfer Policy: Press Briefing .....	2-38

### CHAPTER 3 UNITED STATES GOVERNMENT ORGANIZATIONS

Introduction .....	3-1
Legislative Branch: The Congress .....	3-1
Judicial Branch: The Courts.....	3-2
Executive Branch: The President .....	3-2
Summary .....	3-20
References .....	3-20

## **CHAPTER 4** **SECURITY COOPERATION ORGANIZATIONS OVERSEAS**

Introduction .....	4-1
Definition and Purpose of the Security Cooperation Organization.....	4-1
Security Assistance and Security Cooperation .....	4-3
References for Security Cooperation Office Functions and Responsibilities .....	4-4
SCO Security Assistance Duties .....	4-9
SCO Security Cooperation Duties .....	4-11
SCO Personnel Selection .....	4-11
SCO Interaction and Relationships .....	4-11
Security Cooperation Education and Training (SCET) Teams .....	4-18
Security Cooperation Organization Environment.....	4-21
US Embassy Crisis Management.....	4-21
Rules of Engagement with United States Industry .....	4-22
Miscellaneous Functions.....	4-24
Handling Official Visitors while Overseas.....	4-25
Legal Status Overseas .....	4-28
Ethics and Standards of Conduct .....	4-31
Security Cooperation Organization Travel and Transportation .....	4-34
Summary .....	4-35
References .....	4-36
Attachment 4-1 Letter of Instruction from The President, Approved May 26, 2009 .....	4-38
Attachment 4-2 Security Cooperation Organization–Industry Relations .....	4-40
Attachment 4-3 Checklist for Meeting Representatives of Defense Industry .....	4-41
Attachment 4-4 SDO/DATT Appointment Letter.....	4-42
Attachment 4-5 Letter of Introduction to US Ambassador .....	4-43
Attachment 4-6 Letter of Introduction to Bandarian Minister of Defense .....	4-44
Attachment 4-7 CJCS Letter of Introduction to Bandarian Chief of Defense .....	4-45

## **CHAPTER 5** **FOREIGN MILITARY SALES PROCESS**

Introduction .....	5-1
Pre-Case Development: Preliminary and Definition.....	5-2
Pre-Case Development: Request.....	5-3
Case Development: Offer.....	5-7
Case Development: Acceptance.....	5-13
Case Implementation and Execution .....	5-13
Case Closure .....	5-17
Summary .....	5-20
References .....	5-21
Attachment 5-1 Implementing Agency Organizations in Support of Foreign Military Sales .....	5-22

## **CHAPTER 6 TYPES OF LOAs**

Introduction.....	6-1
Categories of LOAs .....	6-1
LOA Case Identifier .....	6-6
Summary .....	6-8
References .....	6-8
Attachment 6-1 Sample Defined Order Case.....	6-9
Attachment 6-2 Sample Blanket Order Case .....	6-13
Attachment 6-3 Sample Pseudo Letter of Offer and Acceptance (LOA) .....	6-16

## **CHAPTER 7 TECHNOLOGY TRANSFER, EXPORT CONTROLS, AND INTERNATIONAL PROGRAMS SECURITY**

Introduction.....	7-1
The Concept of Technology Transfer and Export Controls .....	7-2
Controlled Unclassified Information.....	7-10
Foreign Disclosure and the National Disclosure Policy .....	7-12
Export Approval and License Process .....	7-16
International Visits and Assignments .....	7-18
International Transportation of Classified Military Material .....	7-22
Defense Security Service Role in International Programs.....	7-22
Foreign Government and North Atlantic Treaty Organization Information .....	7-24
Committee on Foreign Investment in the United States and Foreign Ownership, Control or Influence .....	7-27
Summary .....	7-28
References .....	7-29
Attachment 7-1 International Programs Security Training Memorandum .....	7-31
Attachment 7-2 National Disclosure Policy Committee Members.....	7-32

## **CHAPTER 8 FOREIGN MILITARY SALES CONTRACTUAL AGREEMENTS**

Introduction.....	8-1
Contracts .....	8-1
Letter of Offer and Acceptance Standard Terms and Conditions .....	8-3
Additional Letter of Offer and Acceptance Notes .....	8-16
Changes to the Letter of Offer and Acceptance .....	8-17
Lease of Defense Articles .....	8-19
Loans.....	8-20
International Agreements .....	8-21
Summary .....	8-21
References .....	8-21
Attachment 8-1 Sample Lease Agreement.....	8-22

**CHAPTER 9**  
**FOREIGN MILITARY SALES ACQUISITION POLICY AND PROCESS**

Introduction .....	9-1
Global Military Marketplace.....	9-1
Contracting for Foreign Military Sales .....	9-3
Contract Source Selection .....	9-5
Special Foreign Military Sales Contracting Considerations .....	9-10
Contract Structure .....	9-14
Contract Administration Services .....	9-16
Offsets .....	9-20
Summary .....	9-23
References .....	9-23
Attachment 9-1 DSCA Policy Memorandum 09-60, dated 22 December 2009 .....	9-24
Attachment 9-2 OUSD AT&L/DPAP Memorandum, dated 21 July 2011 .....	9-26

**CHAPTER 10**  
**LOGISTICS SUPPORT OF INTERNATIONAL MILITARY SALES**

Introduction .....	10-1
The Total Package Approach .....	10-1
Logistics .....	10-1
Department of Defense Logistics Organizations .....	10-4
Requisition Process Overview .....	10-9
North Atlantic Treaty Organization Codification System .....	10-11
Uniform Materiel Movement and Issue Priority System .....	10-12
Logistics Communications.....	10-14
Life Cycle Logistics Support Planning Process .....	10-15
Follow-on Support Concept .....	10-19
Cooperative Logistics Supply Support Arrangement .....	10-21
Performance Based Logistics.....	10-23
Obsolescence, Diminishing Manufacturing Sources and Material Shortages .....	10-24
Commercial Buying Services .....	10-24
Repair of Repairables.....	10-25
Excess Property .....	10-27
Other Logistics Support Programs .....	10-30
Publications Support .....	10-31
Equipment Disposal .....	10-33
Teams Used to Support Country Logistics Requirements .....	10-34
Discrepancy Reporting.....	10-35
Summary .....	10-43
References .....	10-44

## **CHAPTER 11 FOREIGN MILITARY SALES TRANSPORTATION POLICY**

Introduction.....	11-1
Basic Transportation Terminology .....	11-1
Basic Transportation Policy .....	11-2
Transportation Responsibilities.....	11-13
Transportation Discrepancies.....	11-20
Transportation Pricing.....	11-21
Three Major Delivery Elements.....	11-21
Shipment of Building Partnership Capacity Letter of Offer and Acceptance Materiel .....	11-32
Summary .....	11-33
References .....	11-34
Useful Web Sites .....	11-34

## **CHAPTER 12 FOREIGN MILITARY SALES FINANCIAL MANAGEMENT**

Introduction.....	12-1
Financial Management Responsibilities .....	12-1
Funds Management for Foreign Military Sales .....	12-3
Foreign Military Sales Pricing .....	12-12
Foreign Military Sales Billing .....	12-19
Case Reconciliation and Closure .....	12-26
Summary .....	12-28
References .....	12-28
Attachment 12-1 Foreign Military Sales Delivery Transaction .....	12-29
Attachment 12-2 Delivery Source Codes .....	12-31
Attachment 12-3 Delivery Source Code Matrix .....	12-34

## **CHAPTER 13 SYSTEMS ACQUISITION AND INTERNATIONAL ARMAMENTS COOPERATION**

Introduction.....	13-1
United States Systems Acquisition Process .....	13-2
System Acquisition Documents Associated With Foreign Military Sales .....	13-5
International System Acquisition Initiatives .....	13-9
International Armaments Cooperation .....	13-10
International Armaments Cooperation Programs.....	13-14
International Acquisition Career Path.....	13-22
Summary .....	13-24
References .....	13-25

## **CHAPTER 14**

### **INTERNATIONAL TRAINING**

Introduction.....	14-1
Legal Authorities and Regulations.....	14-1
International Training.....	14-1
Training Management Organizations.....	14-4
Training Program Development and Implementation .....	14-12
Types and Categories of Training .....	14-17
Financial Considerations.....	14-21
Student Administration .....	14-23
Training Program Automation .....	14-26
Summary .....	14-28
References.....	14-28
Attachment 14-1 Sample Standardized Training List.....	14-30
Attachment 14-2 Sample Invitational Travel Order International Military Education and Training .....	14-31

## **CHAPTER 15**

### **A COMPARISON OF FOREIGN MILITARY SALES AND DIRECT COMMERCIAL SALES**

Introduction.....	15-1
Foreign Military Sales Only Items.....	15-1
Direct Commercial Sales Preference .....	15-2
Combination of Foreign Military Sales and Direct Commercial Sales .....	15-3
Sustainment Support .....	15-3
United States Government Sales Supporting Direct Commercial Sales.....	15-3
Concurrent Foreign Military Sales and Direct Commercial Sales Negotiations .....	15-4
Foreign Military Financing Program Funding.....	15-4
Comparison Considerations .....	15-5
Range of Choices .....	15-12
Summary .....	15-15
References.....	15-15
Attachment 15-1 Foreign Military Sales—Potential Advantages and Considerations .....	15-16
Attachment 15-2 Direct Commercial Sales—Potential Advantages and Considerations.....	15-17
Attachment 15-3 Common Misperceptions of Foreign Military Sales or Commercial Sales .....	15-18
Attachment 15-4 DSCA Policy Memo 09-32 .....	15-20

## **CHAPTER 16**

### **HUMAN RIGHTS AND RELATED CONCEPTS**

Introduction.....	16-1
Human Rights Instruments and Authority .....	16-1
United States Foreign Policy Concerning Democracy and the Rule of Law .....	16-5
Human Rights and the Foreign Assistance Program.....	16-6
Summary .....	16-10

References .....	16-10
Attachment 16-1 Universal Declaration of Human Rights .....	16-11
Attachment 16-2 The “Five Rs” .....	16-15
Attachment 16-3 Guidance for Screening Candidates of US-Sponsored Training Programs .....	16-16

## **CHAPTER 17**

### **RESOURCE MANAGEMENT FOR THE SECURITY COOPERATION ORGANIZATION**

Introduction .....	17-1
Internal Management Controls .....	17-1
Human Resources .....	17-1
Funding Resources .....	17-4
Practical Application of Different Fund Types .....	17-8
Make Up and Funding Source .....	17-8
Flow of Funding Authority for the Security Cooperation Office .....	17-9
Security Cooperation Office Budget Organizations .....	17-11
Representation Funds .....	17-12
International Cooperative Administrative Support Services .....	17-13
Security Assistance Automated Resource Management Suite .....	17-15
Security Cooperation Office Security Assistance Budget Preparation Process .....	17-16
Security Cooperation Office Security Assistance Budget Execution Process .....	17-17
Security Cooperation Office Security Assistance Budget Cautions and Problems .....	17-18
Summary .....	17-19
References .....	17-19
CENTCOM Regulations .....	17-20
Attachment 17-1 National Security Decision Directive Number 38 .....	17-21
Attachment 17-2 Guidelines to Implement National Security Decision Directive (NSDD) Number 38 .....	17-22

## **CHAPTER 18**

### **END-USE MONITORING AND THIRD-PARTY TRANSFERS**

Introduction .....	18-1
DOD End-Use Monitoring .....	18-2
Department of State’s Blue Lantern Program .....	18-7
Department of Commerce’s Extrancheck Program .....	18-8
Third-party Transfer and Changes in End-Use .....	18-8
Summary .....	18-10
References .....	18-11
Attachment 18-1 Routine End-Use-Monitoring (EUM) Report Template .....	18-12
Attachment 18-2 Department of State Third-Party Transfer Request Form .....	18-13

## **CHAPTER 19**

### **JOINT PLANNING FOR SECURITY COOPERATION**

Introduction.....	19-1
Theater-level SC Planning .....	19-1
Country-Level SC Planning .....	19-6
In-Country Event Planning .....	19-15
State Department Planning .....	19-18
SCO Planning Tools .....	19-19
SCO Annual Forecasting Documents .....	19-19
References.....	19-20
Attachment 19-1 Notional Country Plan Format.....	19-21

## **APPENDIX 1**

### **SECURITY COOPERATION AUTOMATION**

Introduction.....	A1-1
Security Assistance Network .....	A1-1
Training Webs .....	A1-3
Commercial Security Assistance Network.....	A1-4
Financial and Logistics Databases .....	A1-4
Defense Security Assistance Management System.....	A1-8
Security Cooperation Information Portal (SCIP).....	A1-9
Additional Software Packages .....	A1-14
Summary .....	A1-16
References.....	A1-16

## **APPENDIX 2**

### **HISTORY OF SECURITY ASSISTANCE AND SECURITY COOPERATION**

Security Assistance and Foreign Policy .....	A2-1
Historical Precedents of Security Assistance.....	A2-1
The Truman Doctrine .....	A2-4
The Eisenhower Doctrine .....	A2-7
The Kennedy and Johnson Administrations .....	A2-8
The Nixon Doctrine .....	A2-9
The Ford Administration.....	A2-10
The Carter Administration .....	A2-11
The Reagan Administration .....	A2-13
The George H. W. Bush Administration .....	A2-14
The Clinton Administration .....	A2-15
The George W. Bush Administration .....	A2-17
The Obama Administration .....	A2-18
Summary .....	A2-19
References.....	A2-20

## **ANNEXES**

Abbreviations and Acronyms.....	AA-1
Glossary of Selected Terms.....	AB-1

## **FIGURES**

Figure 1-1 M2M Planning Process .....	1-27
Figure 2-1 Major Security Assistance Authorization Acts Since 1954.....	2-2
Figure 3-1 US Government Organization for Security Assistance and Security Cooperation .....	3-3
Figure 3-2 US Department of State .....	3-5
Figure 3-3 Security Assistance Offices within the Department of State.....	3-6
Figure 3-4 Department of the Army Functional Organization for SA/SC .....	3-16
Figure 3-5 Department of the Navy Functional Organization for SA/SC .....	3-17
Figure 3-6 Department of the Air Force Functional Organization for Security Assistance.....	3-19
Figure 4-1 Protections Under the Vienna Convention of 1961.....	4-30
Figure 5-1 Letter of Request Checklist .....	5-4
Figure 5-2 Channels of Request.....	5-6
Figure 5-3 Foreign Military Sales Notification to Congress.....	5-9
Figure 5-4 Case Development Responsibilities .....	5-11
Figure 5-5 Letter of Request to Letter of Offer and Acceptance .....	5-12
Figure 5-6 Foreign Military Sales Case Execution.....	5-14
Figure 5-7 Case Closure Inhibitors .....	5-18
Figure 7-1 Key Players in Technology Transfer and International Programs Security .....	7-6
Figure 7-2 Department of State Export Authorization Structure .....	7-8
Figure 7-3 DOD TS & FD System .....	7-15
Figure 7-4 International Visit Program .....	7-20
Figure 9-1 DD Form 250 Material Inspection and Receiving Report .....	9-19
Figure 9-2 Offset Relationships .....	9-21
Figure 10-1 Logistics Communications .....	10-9
Figure 10-2 Foreign Military Sales Record Positions.....	10-10
Figure 10-3 Total Logistics Support .....	10-20
Figure 10-4 Discrepancy Process.....	10-40
Figure 11-1 Foreign Military Sales Transportation Process .....	11-3
Figure 11-2 Notice of Availability/Shipment (DD-1348-5).....	11-11
Figure 11-3 Document Relationships .....	11-21
Figure 11-4 Delivery Term Codes for Shipments from the United States (Outbound) .....	11-22
Figure 11-5 Military Assistance Program Address Directory .....	11-27
Figure 11-6 Relationship of the MAPAC to the MILSTRIP Requisition .....	11-29
Figure 11-7 Relationship of the MAPAC to the MILSTRIP Requisition for DTS Shipments .....	11-29
Figure 11-8 Relationship of the MAPAC to the MILSTRIP Requisition for Grant Aid Shipments.....	11-30
Figure 12-1 Flow of Funds .....	12-4

Figure 12-2 Foreign Military Sales Pricing Formula.....	12-13
Figure 12-3 Defense Transportation System Percentage Rates .....	12-17
Figure 12-4 Sample Transportation Cost Look-Up Table.....	12-18
Figure 12-5 Foreign Military Sales Billing Cycle .....	12-20
Figure 12-6 DD Form 645 .....	12-21
Figure 12-7 Foreign Military Sales Delivery Listing .....	12-22
Figure 12-8 Foreign Military Sales Reply Listing to Customer Requests for Adjustments .....	12-23
Figure 12-9 Foreign Military Sales Financial Forecast .....	12-23
Figure 12-10 Holding Account Statement .....	12-24
Figure 12-11 Accelerated Case Closure Suspense Account Statement.....	12-25
Figure 12-1-1 Foreign Military Sales Delivery Transaction .....	12-29
Figure 13-1 Defense Acquisition System Life Cycle .....	13-3
Figure 13-2 IAC In Systems Acquisition Life Cycle.....	13-10
Figure 13-3 Building Blocks of International Armaments Cooperation.....	13-11
Figure 13-4 Department of Defense International Programs Organization .....	13-12
Figure 14-1 Training Management Organizations .....	14-5
Figure 14-2 Total Package Approach.....	14-14
Figure 14-3 Training Program Automation.....	14-26
Figure 15-1 Foreign Military Sales and Direct Commercial Sales Relationships .....	15-5
Figure 16-1 Illustrations of Human Rights Provisions .....	16-5
Figure 16-2 US Department of State Country Report Format.....	16-8
Figure 17-1 Flow of Funds .....	17-10
Figure 19-1 Joint Operation Planning Process.....	19-1
Figure 19-2 Flow Of National Planning .....	19-2
Figure 19-3 Notional Concept .....	19-4
Figure 19-4 Joint Operations Planning Functions, Approvals, And Process .....	19-5
Figure 19-5 Country-Level Planning Process .....	19-6
Figure 19-6 Mission Analysis .....	19-6
Figure 19-7 Correlation of Interests.....	19-7
Figure 19-8 Capabilities-Based Analysis for Security Cooperation .....	19-9
Figure 19-9 DOTMLPF .....	19-10
Figure 19-10 War Fighting Functions .....	19-11
Figure 19-11 Resourcing Windows Overlaid on Notational Synchronization Matrix .....	19-13
Figure 19-12 Notational Synchronization Matrix with Comments .....	19-15
Figure 19-13 Department of State Planning Process .....	19-18
Figure A1-1 Security Assistance Network .....	A1-2
Figure A1-2 SCIP Authoritative Data Sources .....	A1-9
Figure A1-3 SCIP Community Menu Bar.....	A1-10

Figure A1-4 Case Status Menu Options—A “Pyramid of Choices” .....	A1-11
Figure A1-5 SCIP on DISAM Web Page .....	A1-14

## TABLES

Table 1-1 State Partnership Partners .....	1-25
Table 4-1 United States Security Cooperation Organizations .....	4-2
Table 5-1 Foreign Military Sales Process .....	5-2
Table 6-1 First Position of Case Designator .....	6-7
Table 7-1 Department of Defense Organizational Export Control Responsibilities .....	7-10
Table 7-2 Forms to be Used for Export/Import of United States Munitions List Items .....	7-17
Table 10-1 NATO Codification System Sponsorship .....	10-13
Table 10-2 UMMIPS Matrix .....	10-13
Table 10-3 Decision Table for Supply Discrepancy Report Submissions .....	10-39
Table 11-1 Class 1 Explosives Hazard Division Definitions .....	11-8
Table 11-2 Movement Requirements for Arms, Ammunition, and Explosives (AA&E) .....	11-8
Table 11-3 Delivery Term Codes .....	11-23
Table 11-4 Type of Address Code .....	11-31
Table 13-1 IEP Information Sources .....	13-14
Table 13-2 ESEP Participants .....	13-16
Table 13-3 Cooperative Program Characteristics .....	13-18
Table 13-4 Acquisition Order of Preference Department of Defense 5000.01 .....	13-18
Table 13-5 Types of Host Nation Support.....	13-22
Table 15-1 Customer Participation Options.....	15-12
Table 17-1 Security Cooperation Office Bandaria .....	17-8

